

SUPPORT A REASONABLE LIMIT ON FARM PRICE SUPPORT PAYMENTS

(The Associated Press reported recently that over 154 individuals received more than \$1 million in farm aid last year! Limit massive government payments to the largest recipients—Vote for the Smith/Clayton/Holden/Armey/Shays/McInnis payment limitation amendment to the Farm Bill!)

DEAR COLLEAGUE: Over the years, Congress has established caps on the amount of money a producer can receive from federal farm program price supports. Unfortunately, these payment "limits" on loan deficiency payments, LDPs, have easily been avoided by the unlimited use of commodity certificates, which give the farmer the same dollar benefit as an LDP. In fact, a CRS report on commodity certificates stated that, "while purported to discourage commodity forfeitures, certificates effectively serve to circumvent the payment limitation." (CRS Report 98-744 ENR)

My amendment would establish a REAL PAYMENT CAP by including commodity certificates among the methods of price support that are limited. The Congressional Budget Office has scored this amendment as saving \$528 million over the life of the Farm Bill.

The limitation in this amendment will only affect the very largest of recipients. For instance, the average acreage it would have taken to reach this limit in the last two crop years was over 6,000 acres of corn and soybeans, 1,950 acres of cotton, and 13,000 acres of wheat and 17,000 acres of rice! Note: The average U.S. farm size is 450 acres.

The Bush Administration recently released a report, Food and Agricultural Policy: Taking Stock for the New Century, that clearly refers to the flaws with current farm price supports, stating, "Past attempts at tailoring or directing benefits to particular groups have not proved very successful . . . payment limits to individual farmers have not proved effective." This is because of the loophole allowing farmers to keep the equivalent loan benefit and forfeit the crop.

Difficult future budget decisions, coupled with the increased press scrutiny of farm price support programs, may threaten to reduce the continued strong public support for American agriculture. Setting a real limit on farm payments will help to maintain this support, and save taxpayers \$528 million dollars!

Please consider cosponsoring and speaking in favor of this amendment on behalf of the American family farmer.

Sincerely,

NICK SMITH,
Member of Congress.

SUPPORT MILLER-MILLER AMENDMENT TO H.R. 2646

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, like my colleague from Michigan, I also rise to talk about the farm bill that we will be debating on tomorrow. Of course, in that bill is the sugar subsidy program. There is going to be an amendment, the Miller-Miller amendment, and I rise in strong support of it. The sugar program hurts working people in my congressional district and

the Miller-Miller amendment would help to redress the harm that they have suffered.

The candy industry is important to the Chicago area. There are 31,000 confectionery employees in Illinois, with 15,000 of those in Cook County. Unfortunately, employment in the confectionery industry in Chicago has fallen 11 percent since 1991. The sugar program has contributed to this decline.

Along with other members of the Illinois delegation, I have repeatedly spoken on this floor about the injury caused to my constituents by the sugar program. We have not been alone. Mayor Daley and the Chicago City Council strongly oppose the sugar program. They are joined in this opposition by city business leaders and the Chicago Federation of Labor.

For companies that make nonchocolate candy, sugar is a large portion of their total costs. The U.S. sugar program supports prices in our domestic market so that candymakers in Chicago are forced to pay more than twice as much for sugar as their competitors abroad. For example, on September 25, the price of raw sugar in the United States was 20.65 cents per pound. On the same date, the world price of raw sugar was 6.84 cents per pound.

Candy manufacturers and workers must compete with the candy that is made offshore, using world-priced sugar. Imports of hard candy have been rising, from less than 12 percent of the U.S. market in 1997 to 19 percent in 1999. These imports make it difficult for our companies and workers to compete, because a major part of their ingredient cost, sugar, is so much cheaper than in our domestic market. It is the classic unlevel playing field that we hear our colleagues from agriculture districts talk about so frequently. But in this case, it is the workers in Chicago and other places throughout the country who are on the wrong end of the field.

The sugar programs helped cause the candy industry's problems through price supports and import quotas. The Miller-Miller amendment reforms the price support system; it does not abolish the sugar program. The amendment does not say that there should be no assistance to sugar growers and producers; it reduces price supports modestly and increases the penalties that sugar processing companies must pay when they fail to repay their government loan.

Mr. Speaker, I believe that the sugar program, and I strongly believe in supporting farmers, but I believe that we have to support the needy and not the greedy. So I would urge my colleagues to vote for the Miller-Miller amendment and give the workers throughout America, and especially those in the confectionery industry, an opportunity to work and not see their jobs moved to other countries and other places.

□ 1900

CLAYTON AMENDMENT TO FARM SECURITY ACT OF 2001 WILL HELP FARMERS, THEIR FAMILIES, AND COMMUNITIES

The SPEAKER pro tempore (Mr. SIMMONS). Under a previous order of the House, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, on tomorrow we will have the Farm Security Act of 2001. It is our farm bill. It is our farm bill for the next 10 years.

I want to tell the Members, food security is very important to this country. Indeed, we should protect the opportunities for our producers to produce, but also to make a decent living, so there is a vested interest in seeing that the farm bill is indeed enacted appropriately.

Mr. Speaker, I rise to talk about the opportunity of making that farm bill even more responsive to a larger number of citizens who live in rural America. We have a title called Rural Development. It is a title that the committee itself had the foresight to include.

It provides clean water and infrastructure for wastewater facilities. It provides economic development, and strategic planning so that small communities can come together and plan for their future. It also provides for additional resources in something we call value-added, where producers can add more profitability and add more processes right there at the local level, making more money for the raw commodities they produce.

In order to provide more money for a larger number of people, we have to have something called shared sacrifice, meaning our farmers, who indeed need resources, must begin to see this as in their value, as well.

So the amendment that I will propose does require a reduction of farm subsidies. It represents an addition of 2 percent overall to a reduction, which will give to these rural development activities \$1.065 billion over the next 10 years.

As I said, they will go for three important areas.

First, \$45 million a year will go for clean water and wastewater facilities, which rural communities desperately need. There is a report out now by the EPA which says that communities of 3,000 or a little better for the next 15 years would need \$37 million just to speak to the deficiencies as they are now, not even to anticipate the things they may need to plan for, or plan for contingencies, given the new scare regarding water resources.

In addition, as we look at the resources coming to rural communities, we know rural communities do not have the advantage of planning and coordinating or the staff capacity of writing grants so they can benefit. Most of